




SECTION B

Property Assessment and Taxation and Homestead Exemptions



BASIC PROVISIONS OF PROPERTY ASSESSMENT AND TAXATION LAWS

NEBRASKA DEPARTMENT OF PROPERTY ASSESSMENT AND TAXATION

All property in the State of Nebraska is subject to property tax unless an exemption is mandated by the Nebraska Constitution, Article VIII, or is permitted by the constitution and enabling legislation is adopted by the Legislature. Federal law may supersede the Nebraska Constitution with regard to taxation of property owned by the federal government or its agencies or instrumentalities. All property in the State of Nebraska, which is subject to taxation, shall be valued as of January 1, 12:01 a.m., of each year.

The assessor is responsible for valuing all real and personal property with the exception of railroads, public service entities, and specific personal property of air carrier and rail car line companies, which are assessed by the Property Tax Administrator. The valuation of real property is determined according to mass appraisal techniques, including but not limited to the following: (1) comparing sales of similar properties; (2) income approach; and (3) cost approach. The valuation of personal property is determined using a statutory method of depreciated values similar to the Federal Modified Accelerated Cost Recovery System and 150 percent declining balance depreciation schedules. All real property is assessed at or near 100 percent of actual value, except agricultural land is assessed at or near eighty percent of actual value. Personal property is assessed a 100 percent of the net book taxable value as determined by the statutory method.

Between January 1 and March 20 of each year, the assessor updates and revises the real property assessment roll. By April 15, agricultural and horticultural land valuation boards (AHLVB) may order an assessor to make changes to agricultural land values. Decisions of the AHLVB may be appealed to the Tax Equalization Review Commission (TERC), within 15 days of their published notice of action. Between April 1 and May 15 the TERC has the authority to adjust by a percentage the valuation of classes or subclasses of real property in any county in order to achieve equalization of property values. Decisions of the TERC may be appealed to the Nebraska Court of Appeals.

The assessor revises the real property assessment rolls, for any actions taken by the agricultural and horticultural land board or TERC, and notifies property owners of value increases or decreases by June 1. Individual protests of real property valuations may be made to the county board of equalization. The county board of equalization may adjust the protested value of individual properties. Decisions of the county board of equalization may be appealed to the TERC.

Personal property is self reported by the taxpayer, on or before May 1. If the assessor makes changes to the reported valuation a notice must be sent to the taxpayer. The action may be appealed to the county board of equalization.

On or before August 10, the TERC equalizes the real property of centrally assessed railroad and public service companies with the level of statewide assessment. The Property Tax Administrator certifies centrally assessed values to the counties.

On or before August 20, the assessor compiles and certifies the total taxable value (real, personal, and centrally assessed) to each local government taxing subdivision for rate setting purposes.

Each year, on or before October 15, the county board of equalization levies the necessary taxes, within the limits of the law, for operation of all functions of county government, school districts, cities, etc. The tax rates for these various local government taxing subdivisions are determined by dividing the subdivision's annual tax request by the current total taxable value within their boundaries. The tax rates are expressed as \$1 per \$100 dollars of taxable value.

Property taxes are determined by multiplying the property's taxable value by the total consolidated tax rate for the tax district in which the property is located. The tax district is comprised of various governing bodies empowered to levy property taxes for services, such as county government, school district, city, etc.

On or before November 22, the assessor transcribes the real property tax list and delivers it to the county treasurer for collection of property taxes. All real and personal property taxes, including taxes of centrally assessed railroad and public service companies, are due December 31. The first half of the tax becomes delinquent on the following May 1 and the second half becomes delinquent on September 1, except in Douglas, Lancaster, and Sarpy counties, where the first half is delinquent on April 1 and the second half becomes delinquent on August 1.

For more information regarding property assessment and taxation please refer to the Web site: <http://pat.nol.org>.

HOMESTEAD EXEMPTIONS

A homestead exemption provides relief from property taxes by exempting all or a portion of the valuation of the homestead from taxation. The State of Nebraska reimburses the counties and other governmental subdivisions for the taxes lost due to the homestead exemptions. A homestead exemption is available to three groups of persons: (1) persons over age 65; (2) certain disabled individuals; or (3) certain disabled veterans and their widow(er)s.

For a detailed description of the homestead exemption program and the property tax relief it provides for qualified taxpayers please refer to the information guide (2-618-92 Rev. 12-01). A hard copy of this guide can be obtained from the Nebraska Department of Revenue or printed off the Internet. The Web site is: www.revenue.state.ne.us.

PROPERTY TAX

Statutory Reference and Description	Actual or Estimated Tax Expenditure Cost NA = Not Available
EXEMPTIONS	
2-4243 Property belonging to the Conservation Corporation.	NA
3-209 Airports and landing fields acquired by a municipality.	NA
3-511 Property belonging to city airport authorities.	NA
3-621 Property belonging to county airport authorities.	NA
3-714 Property belonging to joint airport authorities.	NA
12-506 Property belonging to cemetery associations.	NA
12-517 Burial lots sold by a cemetery association for interment.	NA
14-812 Property belonging to metropolitan cities.	NA
14-1721 Property belonging to municipal parking authorities.	NA
14-1810 Property belonging to metropolitan transit authorities.	NA
15-844 Property belonging to primary class cities.	NA
18-2137 Property belonging to redevelopment authorities.	NA
21-1903 Property held by corporations organized for the purpose of holding in trust, property that would be exempt if owned and held by the organization for whose use or benefit the property is held in trust.	NA

21-2311	
Property belonging to industrial development public corporations.	NA
23-343.117	
Property belonging to hospital authorities.	NA
37-301	
Property held by the Nebraska Game and Parks Commission.	NA
46-267	
All ditches, canals, laterals, or other works used for irrigation purposes.	NA
51-512	
Property belonging to public museums.	NA
58-268	
Property belonging to the Nebraska Investment Finance Authority.	NA
58-324	
Property belonging to the Small Business Development Authority.	NA
77-202(1)(a)	
Property of the state and its governmental subdivisions.	NA
77-202(1)(b)	
Property owned by and used exclusively for agricultural and horticultural societies.	NA
77-202(1)(c)	
Property owned by educational, religious, charitable, or cemetery organizations and used for such purposes.	NA
77-202(1)(d)	
Household goods and personal effects when such property is not used for profit.	NA
77-202(2)	
Increased value of land due to shade or ornamental trees planted along the highway.	NA
77-202(3)	
Tangible personal property which is not depreciable. Tangible personal property used in a trade or business or to produce income.	NA
77-202(4)	
Motor vehicles paying a registration fee in lieu of property taxes.	NA
77-202(5)	
Business and agricultural inventory.	NA

77-202(6)

Any qualifying personal property pursuant to subsection 2 of section 77-4105, shall be exempt from personal property tax under conditions specified in the “Employment and Investment Growth Act” (LB775, as amended by LB1234) (see explanation below).

(See section V)

77-4101 (Employment and Investment Growth Act - LB775, as amended by LB1234)

(See section V)

A taxpayer’s business may qualify for tax incentives under the Employment and Investment Growth Act if the business plans result in either (a) the investment in a qualified property of at least \$3,000,000 and the hiring of at least 30 new employees, or (b) the investment in qualified property of at least \$10,000,000 and the hiring of at least 100 new employees, or (c) the investment in qualified property of at least \$20,000,000.

7-202.24

Mobile home and one motor vehicle owned by a disabled or blind veteran.

NA

77-212

Space provided for supportive medical services exempt from the in-lieu-of payment provided for in section 77-211.

NA

77-3507

(See Note)

For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for **married claimants 65 years of age or over** with household income as set out below:

Household Income (\$)	Percentage of Relief
\$ 0 through 23,900.99	100
23,901 through 25,200.99	85
25,201 through 26,500.99	70
26,501 through 27,700.99	55
27,701 through 29,000.99	40
29,001 through 30,300.99	25
30,301 and over	0

77-3507

(See Note)

For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for a **single claimant 65 years of age or over** with household income as set out below:

Household Income	Percentage of Relief
\$ 0 through 20,400.99	100
20,401 through 21,500.99	85
21,501 through 22,500.99	70
22,501 through 23,600.99	55
23,601 through 24,700.99	40
24,701 through 25,700.99	25
25,701 and over	0.

77-3508(1)(a)

(See Note)

For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for a **married veteran totally disabled by a non-service connected accident or illness** with household income as set out below:

Household Income	Percentage of Relief
\$ 0 through 26,300.99	100
26,301 through 27,500.99	85
27,501 through 28,800.99	70
28,801 through 30,100.99	55
30,101 through 31,400.99	40
31,401 through 32,600.99	25
32,601 and over	0

77-3508(1)(a)

(See Note)

For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for a **single veteran totally disabled by a non-service connected accident or illness** with household income as set out below:

Household Income	Percentage of Relief
\$ 0 through 23,000.99	100
23,001 through 24,000.99	85
24,001 through 25,100.99	70
25,101 through 26,100.99	55
26,101 through 27,200.99	40
27,201 through 28,300.99	25
28,301 and over	0

77-3508(1)(b)(c)(d)(e)

(See Note)

For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for a **married, disabled individual** with household income as set out below:

Household Income	Percentage of Relief
\$ 0 through 26,300.99	100
26,301 through 27,500.99	85
27,501 through 28,800.99	70
28,801 through 30,100.99	55
30,101 through 31,400.99	40
31,401 through 32,600.99	25
32,601 and over	0

77-3508(1)(b)(c)(d)(e)

(See Note)

For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for a **single disabled individual** with household income as set out below:

Household Income	Percentage of Relief
\$ 0 through 23,000.99	100
23,001 through 24,000.99	85
24,001 through 25,100.99	70
25,101 through 26,100.99	55
26,101 through 27,200.99	40
27,201 through 28,300.99	25
28,301 and over	0

77-3509

(See Note)

For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for a **married veteran drawing compensation from the Department of Veterans' Affairs for 100 percent service-connected disability** with household income as set out below:

Household Income	Percentage of Relief
\$ 0 through 26,300.99	100
26,301 through 27,500.99	85
27,501 through 28,800.99	70
28,801 through 30,100.99	55
30,101 through 31,400.99	40
31,401 through 32,600.99	25
32,601 and over	0

77-3509

(See Note)

For homesteads valued at or below the maximum value as defined in section 77-3505.02, a percentage of the exempt amount defined in section 77-3501.01(1), for a **single veteran drawing compensation from the Department of Veterans' Affairs for 100 percent service-connected disability including any unmarried widow or widower of such veteran** with household income as set out below:

Household Income	Percentage of Relief
\$ 0 through 23,000.99	100
23,001 through 24,000.99	85
24,001 through 25,100.99	70
25,101 through 26,100.99	55
26,101 through 27,200.99	40
27,201 through 28,300.99	25
28,301 and over	0

Note: The total tax loss for the State of Nebraska in 2001 was \$37,784,370. One hundred percent was reimbursed to the counties by the State of Nebraska. The table on page B-10 lists the total tax loss for each county.

77-3501.01 Exempt amount, defined:

(1) For purposes of section 77-3507, exempt amount shall mean the lesser of (a) the taxable value of the homestead or (b) eighty percent of the average assessed value of single-family residential property in the claimant's county of residence as determined in section 77-3506.02 or forty thousand dollars, whichever is greater. (2) For purposes of sections 77-3508 and 77-3509, exempt amount shall mean the lesser of (a) the taxable value of the homestead or (b) one hundred percent of the average assessed value of single-family residential property in the claimant's county of residence as determined in section 77-3506.02 or fifty thousand dollars, whichever is greater.

77-3505.02 Maximum value, defined:

Maximum value shall mean: (1) For applicants eligible under section 77-3507, one hundred fifty percent of the average assessed value of single-family residential property in the claimant's county of residence as determined in section 77-3506.02 or ninety-five thousand dollars, whichever is greater; and (2) For applicants eligible under sections 77-3508 and 77-3509, one hundred seventy-five percent of the average assessed value of single-family residential property in the claimant's county of residence as determined in section 77-3506.02 or one hundred ten thousand dollars, whichever is greater.

PREFERENTIAL TAX RATES AND VALUATION

37-335

Whenever the Game and Parks Commission acquires title to private lands for wild life management purposes, the Commission shall annually make the same payments in-lieu-of taxes as were made by private landowners for the year prior to such acquisitions to the county treasurer of the county in which the land is located.	\$300,156*
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77-1344

Land valued for agricultural use where actual value for other use would be higher.	NA
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Article VIII, Section II

(Section 70-651.01 through 70-651.05) Public corporations and political subdivisions making an in-lieu-of taxes payment equal to the amount of taxes paid in 1957, or five percent of annual gross revenue less the amount of taxes paid in 1957.	\$979,576* 1957 fixed \$23,993,111* 5% gross revenue
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* These amounts are the in-lieu-of taxes paid as reported on the 2001 Certificates of Taxes Levied Report.

2001 HOMESTEAD EXEMPTION REIMBURSEMENT

ADAMS	\$ 845,606	JEFFERSON	\$ 266,558
ANTELOPE	221,173	JOHNSON	177,419
ARTHUR	5,139	KEARNEY	104,474
BANNER	11,751	KEITH	247,239
BLAINE	6,311	KEYA PAHA	16,823
BOONE	161,477	KIMBALL	108,140
BOX BUTTE	228,054	KNOX	279,375
BOYD	63,710	LANCASTER	5,337,955
BROWN	125,438	LINCOLN	778,583
BUFFALO	740,912	LOGAN	13,900
BURT	233,322	LOUP	15,036
BUTLER	173,024	MADISON	640,633
CASS	621,551	MCPHERSON	6,609
CEDAR	267,930	MERRICK	197,172
CHASE	109,393	MORRILL	135,670
CHERRY	116,084	NANCE	120,020
CHEYENNE	194,659	NEMAHA	173,819
CLAY	146,749	NUCKOLLS	119,064
COLFAX	284,617	OTOE	484,531
CUMING	239,477	PAWNEE	85,708
CUSTER	286,600	PERKINS	66,550
DAKOTA	344,474	PHELPS	178,211
DAWES	214,473	PIERCE	221,160
DAWSON	484,180	PLATTE	724,500
DEUEL	57,903	POLK	134,879
DIXON	182,352	RED WILLOW	222,449
DODGE	1,042,378	RICHARDSON	318,874
DOUGLAS	9,256,047	ROCK	48,563
DUNDY	37,237	SALINE	342,997
FILLMORE	145,614	SARPY	1,842,638
FRANKLIN	112,347	SAUNDERS	697,226
FRONTIER	57,679	SCOTTS BLUFF	936,689
FURNAS	129,687	SEWARD	402,725
GAGE	710,344	SHERIDAN	128,977
GARDEN	60,060	SHERMAN	111,496
GARFIELD	69,483	SIOUX	15,509
GOSPER	47,556	STANTON	121,572
GRANT	13,528	THAYER	159,972
GREELEY	93,620	THOMAS	13,058
HALL	1,376,335	THURSTON	94,463
HAMILTON	176,647	VALLEY	177,725
HARLAN	107,628	WASHINGTON	507,352
HAYES	9,100	WAYNE	196,905
HITCHCOCK	71,448	WEBSTER	135,236
HOLT	313,576	WHEELER	9,355
HOOKER	24,662	YORK	253,308
HOWARD	191,922	STATE TOTAL	\$ 37,784,370

PROPERTY TAX RECOMMENDATIONS

The taxable value of exempt property (e.g. governmental or permissive exempt) is not available because often assessors do not place a value on them due to the exempt status. Typically, assessors focus their time and resources on establishing values of taxable properties.

In 1999, the Legislature adopted LB 271 and in 2000 LB 968 postponed the effective date to the year 2001. This legislation now provides for exempt property owned by the state and its political subdivisions that “is not used for a public” shall become taxable in the year 2000. Public purpose does not include leasing of property to a private party unless the lease of the property is at fair market value for a public purpose.

The Department of Property Assessment and Taxation has no other recommendations.